

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order CTB-597
January 12, 2009

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Mayte Reyes

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil production from the following two (2) diversely owned wells which are producing from the Coyote-Wolfcamp Gas Pool (97361) and are located on Federal leases in Chaves County, New Mexico:

Football BCF Federal Well No. 2H (API 30-015-34553)
SHL Unit I, Sec 1, T12S, R26E, NMPPM
BHL Unit L, Sec 1, T12S, R26E, NMPPM
Federal Lease No. NM-106904
320 acre S/2 dedication: Coyote-Wolfcamp Gas Pool

Grid Iron BLI Federal Well No. 1H (API 30-005-64033)
SHL Unit I, Sec 1, T12S, R26E, NMPPM
BHL Unit I, Sec 6, T12S, R27E, NMPPM
Federal Lease No. NM-101579
320 acre S/2 dedication: Coyote-Wolfcamp Gas Pool

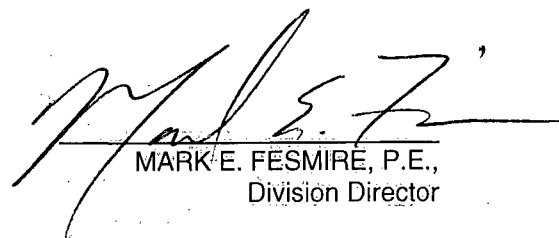
Each of these diversely owned wells shall be equipped with continuous metering separators for oil production prior to oil being commingled for sales.

Gas production commingling from these two wells is not allowed.

The oil sales point for this commingled production shall be located at the battery near the Football BCF Federal Well No. 2H in Unit I, Sec 1, T12S, R26E. Oil from the Grid Iron BLI Federal Well No. 1H is approved for off lease measurement and sales after being metered on-lease.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This order is approved as of the date shown above.



MARK E. FESMIRE, P.E.,
Division Director

MEF/tw
cc: Oil Conservation Division - Artesia
Bureau of Land Management-Roswell

